

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE AMERICAN RECOVERY
AND REINVESTMENT ACT OF 2009 PROJECTS AWARDED GAP FILLER FUNDING
(SECTION 1602 TAX CREDIT EXCHANGE PROGRAM OR TCAP PROGRAM)
COOPERATION AGREEMENT**

CTCAC Project #

THIS COOPERATION AGREEMENT (the “Agreement”) is entered into as of this _____ (the “Effective Date”), by and among [_____], [_____] (the “Syndicator”), and **CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**, a public agency of the State of California (“CTCAC”).

RECITALS

- A. Under the Section 1602 (“Section 1602”) program of the American Recovery and Reinvestment Act of 2009 (the “ARRA”), CTCAC made a Section 1602 grant to the Project Sponsor (the “Loan”), to fund the construction of [_____] (the “Project”) pursuant to that certain loan agreement dated March 31, 2010 by and between CTCAC and the Project Sponsor (the “Loan Agreement”).
- B. In addition to the Loan, CTCAC made an allocation of Section 42 Low Income Housing Tax Credits (“LIHTCs”) to the Project Sponsor.
- C. The Syndicator has made an equity investment in the Project in exchange for the LIHTCs allocated to Project Sponsor by CTCAC.
- C. The Project Sponsor is the owner and developer of the Project for which CTCAC allocated LIHTCs and made the Loan, and in which the Syndicator has invested.
- D. ARRA requires CTCAC to establish a long term asset management program for projects receiving Loans and authorizes CTCAC to impose a fee on projects to defray the administrative costs of the asset management program.
- E. CTCAC desires to receive the information related to the asset management program and Project Sponsor wishes to avoid the fee associated with the asset management program.
- F. In furtherance of their mutual goals, the parties desire for the Syndicator to cooperate with, and provide certain information to, CTCAC to enable CTCAC to meet Section 1602 and TCAP asset management obligations in connection with the Loan to the Project and thereby avoid the need to impose the asset management program fees on the Project.

Agreement

In consideration of the parties’ Recitals, the following mutual promises, covenants, and conditions, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. Term. The term of this Agreement shall commence on the Effective Date and shall continue through the end of the initial 15-year federal Compliance Period, unless earlier terminated as set forth herein (the “Term”).

2. Agreement to Cooperate. In consideration of the Loan made by CTCAC to the Project Sponsor for the benefit of the Project, the Project Sponsor and the Syndicator agree to cooperate with CTCAC during the Term, respond in a timely manner to all reasonable requests for information made by CTCAC, and provide TCAC with copies of asset management reports as requested by CTCAC pursuant to Exhibit A.

3. Information to be Provided on a Best Efforts Basis. The parties agree that the information provided pursuant to this agreement will be on a best efforts basis and is provided without warranty. CTCAC agrees that it will not base an enforcement action on errors or omissions in the information provided pursuant to this agreement. Nothing in this Agreement shall preclude CTCAC from bringing appropriate enforcement actions where the project sponsor or the syndicator intentionally misrepresent information.

4. Compliance with Laws

(a) The Project Sponsor and the Syndicator shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, including, without limitation, Section 42 of the Internal Revenue Code, and the Immigration and Nationality Act (8 U.S.C. 1101 *et seq.*), and all provisions required thereby to be included herein are hereby incorporated by reference as the same may be amended from time to time. The enactment of any state or federal statute or the promulgation of regulations thereunder after execution of this Agreement shall be reviewed by the CTCAC to determine whether the provisions of this Agreement require formal modification.

(b) The Project Sponsor and Syndicator agree not to discriminate against any employees or applicants for employment to be employed in the performance of this Agreement, with respect to their hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of their race, religion, color, sex, disability, national origin, or ancestry.

5. Termination.

(a) For Breach. CTCAC may immediately suspend or terminate this Agreement if the Syndicator and/or the Project Sponsor fail to comply with any material term of the Agreement, any applicable law or regulation, or the Section 1602 Program or TCAP Program.

(b) Without Cause. Further, this Agreement may be terminated at any time, by CTCAC, with or without cause, upon sixty (60) days written notice. Written notice of such termination must be sent to the other parties by certified mail, return receipt requested, postage prepaid. After mailing of such notice of termination, no new or additional liabilities shall be incurred without the prior written approval of CTCAC.

6. Miscellaneous.

(a) Entire Agreement. This Agreement constitutes the entire agreement relating to the subject matter among the parties. No understandings, agreements, or representations, oral or written, not specified within this Agreement will be valid provisions of this Agreement.

(b) Governing Law; Choice of Venue. This Agreement shall be construed and governed in accordance with the laws of the State of California, and suit, if any, must be brought in courts located in Sacramento County, California.

(c) Successors. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by and against the parties hereto, their heirs, executors, administrators, successors and assigns. The Syndicator and the Project Sponsor may not assign this Agreement without the express prior written consent of CTCAC.

(d) Amendments and Waivers. This Agreement may not be amended and compliance with any provision of this Agreement may not be waived except in a writing signed by all of the parties hereto; provided, however, that CTCAC may amend this Agreement unilaterally in order to comply with a change in an applicable law, rule, regulation or directive.

(e) Severability. If any provision of this Agreement is held to be invalid, void or unenforceable, the remaining provisions of this Agreement shall nevertheless continue in full force and effect.

(f) Notices. Notice shall be deemed to have been given under this Agreement whenever any notice, statement, or other communication shall be delivered in person, or sent via overnight delivery service maintaining records of receipt to the address below, unless otherwise requested in writing:

If to the Project Sponsor:

[Contact Name]
[Street Address]
[City, State Zip]

If to the Syndicator: [Contract Name]
[Street Address]
[City, State Zip]

If to CTCAC: California Tax Credit Allocation Committee
915 Capitol Mall, Room 485
Sacramento, California 95624
Attention: Compliance Program Manager

With copy to: California Tax Credit Allocation Committee
915 Capitol Mall, Room 485
Sacramento, California 95624
Attention: General Counsel

A party's address for notice may be changed from time-to-time only by written notice given to each of the other parties in accordance with this Section.

(h) Counterparts. This Agreement may be executed in several counterparts all of which shall constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatories on the same counterpart.

(Remainder of page intentionally left blank.)

NON-COLLUSION AND ACCEPTANCE

The undersigned attests, subject to the penalties for perjury, that he/she is the properly authorized representative, agent, member or officer of the Project Sponsor or the Syndicator, that he/she has not, nor has any other member, employee, representative, agent or officer of the Project Sponsor or the Syndicator, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Agreement other than that which appears in this Agreement.

IN WITNESS WHEREOF, the Project Sponsor, the Syndicator and CTCAC have, through their duly authorized representatives, entered into this Agreement. The parties, having read and understood the foregoing terms of this Agreement, do by their respective signatures dated below hereby agree to the terms thereof.

(Syndicator):

(Project Sponsor):

By: _____
Printed Name: _____
Title: _____
Date: _____

By: _____
Printed Name: _____
Title: _____
Date: _____

**California Tax Credit Allocation
Committee:**

By: _____
Printed Name: William J. Pavão
Title: Executive Director
Date:

EXHIBIT A

Cooperation Agreement California Tax Credit Allocation Committee

For the purposes of this Agreement, CTCAC may request the following information from the Syndicator, from time to time, in accordance with Section 3:

1. Asset Management Information.

- (a) From lease-up and continuing throughout the Compliance Period:
 - (i) annual reviews and approval recommendations for project operating budgets;
 - (ii) annual review and analyses of audited financials for the project within ninety (90) days following the end of the fiscal year; and
 - (iii) physical inspections annually (if applicable) or when physical inspections are performed.